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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XV No. 2
February 1991

Unemployment Rate

Seasonally Adjusted
December *

ARIZONA	–	5.9%
Maricopa Co.	–	4.7
Pima Co.	–	4.3
United States	–	5.9

Consumer Price Index

U.S. – December 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	132.2
% Chg. Year Ago	–	6.1
All Urban	–	133.8
% Chg. Year Ago	–	6.1

Phoenix – 4th Qtr 1990
Base = 1982-84

All Urban	–	135.3
% Chg. Year Ago	–	5.9

Tucson – 4th Qtr 1990
Base = 1982-84

All Urban	–	133.8
% Chg. Year Ago	–	3.9

* Preliminary

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Labor Shortages

Talk of Future Worker Shortfall Requires Understanding of Supply-Demand Principles

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Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

'Labor Shortage' an Often Misused, Misunderstood Term

Many Factors — Low Wages, Unemployment — Can Distort Perception of Labor Supply

Are there, or are there not major and widespread labor shortages in America and in Arizona? That may seem like an inappropriate question when the unemployment rate is rising, but recently there has been much national discussion of impending shortages resulting from slowing population growth and aging of baby boomers. Nevertheless, an answer often depends on one's perception of what is a "normal" supply of workers.

In an article in the winter 1988 issue of *Occupational Outlook Quarterly*, titled, "Labor Shortages: Menace or Mirage?" author Jon Sargent lays out the various causes of labor shortages from an economist's view. Sargent says that shortages result:

"... when jobs go vacant as employers seek to hire more workers than are willing to work at the prevailing wage or salary. In theory, most labor shortages should disappear as employers increase wages to attract more workers; because of the wage increase, employers must scale back the number of workers they employ. A shortage results when adjustment is slow in one of the three variables: the supply of workers, the demand for workers, and the wage rate."[1]

Sargent also discusses "false" labor shortages. These, he contends, include those so labeled by employers who do not want to pay a new, higher prevailing wage. As long as they cannot get employees at a former lower wage, they consider the labor supply to be inadequate. This is a false labor shortage, Sargent says, because jobs do not remain vacant at the new prevailing wage.[2]

A similar perception of shortage occurs during periods of low unemployment.

> *" ... A shortage results when adjustment is slow in one of the three variables: the supply of workers, the demand for workers, and the wage rate."*
>
> *—Jon Sargent, Economist, U.S. Department of Labor*

Employers accustomed to choosing a near "ideal" candidate from large numbers of applicants feel there is a shortage when there are fewer applicants who are qualified and none are ideal.

Sargent concludes his article by dissolving the "mirage" that there is likely to be a general shortfall of U.S. workers — involving any broad demographic or educational group — through the year 2000.

Even the shortage of teen-agers for low-skill, low-pay jobs resulting from the birth dearth following the baby-boom generation is explained away by Sargent. Again, higher wages is the solution, he contends, since unemployment rates for teen-agers remain three- to four-times higher than rates for the labor force as a whole. Higher wages, he says, would attract more teen-agers from the inner city to the suburbs — where the service jobs are located — offsetting the additional cost of transportation.[3]

Sargent and others recognize that there can be shortages in the short term, however. Supply-inflexible shortages occur when raising wages fails to attract adequate numbers of applicants. This can happen when long lead times are required to train sufficient workers. Teachers and registered nurses (see below) are cited as examples of occupations requiring long training periods.

In addition, wages may be inflexible because raising wages for a given occupation might require raising them for other occupations, or for present employees currently being paid less. Total costs of raising wages may make it impossible to offer a new higher wage to attract a few additional workers in a specific occupation[4]

Arizona's Labor Supply Survey

The Arizona Department of Economic Security (DES), Research Administration recently completed a survey of employers in targeted industries to determine if the Immigration Reform and Control Act of 1986 (IRCA) has made it difficult for employers who are in industries (e.g., agriculture, hotels, restaurants) that traditionally hired undocumented workers to find suitable workers in adequate quantities in the state.

Congress enacted IRCA with the intent of curtailing the inflow of undocumented workers, in part by placing sanctions on employers for knowingly hiring undocumented workers. IRCA also offered permanent resident alien status to undocumented aliens who could prove they had lived in the United States for specified periods of time.

It follows, therefore, that if a given supply of workers has been cut off, or at least diminished, there may be employers who find it difficult to replace that supply. The U.S. Job Service subsequently elected to conduct surveys of perceived shortage areas and to publicize that it is available to help meet labor needs with available U.S. workers.

The data from the DES survey, along with results from a similar survey Research Administration conducted in 1988 and 1989, shows that indeed many employers in industries that traditionally hired undocumented workers *believed* there were shortages, or feared there would be shortages (see "Employers Sensing 'False' Shortage ... ," p. 5). But both studies concluded there has not been a major shortage problem in these areas in Arizona.[5]

The seeming contradiction in the Arizona studies between the perceptions of some employers and the conclusions of the re-

searchers can be resolved in definitions, inherent or explicit, of shortage.

Employers perceive shortages based on the desire to continue to operate — as nearly as possible — as they had before the passage of IRCA. That is, wages would be offered that would not require raising the price of the products, or lowering profits, and recruitment of labor would continue by informal (low cost, no hassle) means such as by word-of-mouth (through family members already employed), or by hiring walk-ins.

Implicit in IRCA, on the other hand, is the postulate that it is not an undue burden on employers to raise wages, improve working conditions, and use additional means of recruitment in order to attract workers. Concerning the latter, the Job Service is another, and often under-utilized, low-cost recruitment method that employers are already subsidizing through unemployment insurance taxes.

The Job Service is specifically mandated by IRCA to offer its recruitment services to employers to help overcome any effects of the immigration-reform law perceived deleterious by employers. Job Service agencies in selected western states have also been mandated through regulations of the Labor Department to initiate a newsletter that tells where agricultural workers and jobs are located, which is useful to employers, as well as workers.[6]

The regulations require that the newsletter, called the Farm Labor Information Bulletin (FLIB), be printed in English and Spanish, be circulated among farms and ranches, and be read over radio stations that broadcast agricultural news and Spanish-language programs. California has been experimentally producing and circulating such a newsletter since 1989, and Arizona will join as a co-producer in 1991.

New Legislation Does About-Face

Two recently enacted immigration-reform bills, however, seem to be taking the country in another direction, quite different from IRCA. The Immigration Nursing Relief Act of 1989[7] and the Immigration Act of 1990[8] expand the importation of labor with technical skills, with an eye toward quickly alleviating U.S. labor shortages and enhancing the country's competitiveness in the world economy.

Passage of the two bills suggests it *is* too burdensome on employers to raise wages, improve working conditions, and use additional means of recruitment, or perhaps even underwrite training. Or, at the very least, the new laws imply that there isn't time for American employers to make needed adjustments, therefore necessitating the importation of workers with needed skills.

At the signing of the Immigration Act of 1990, President Bush said: "Immigration reform began in 1986 with an effort to close the back door on illegal immigration. Now as we open the front door to increased legal immigration, the bill provides long-needed enforcement authority."[9]

The Immigration Nursing Relief Act of 1989 specifically identifies professional nurses as a shortage occupation. To ensure that the country's health service industry is adequately staffed, the law permits employers to temporarily import alien nurses. It requires that petitioning employers make "attestations" that employing alien nurses will not damage the working conditions of nurses already employed here, and that alien nurses will be paid on par with other nurses similarly employed.[10]

The U.S. Job Service and its organizational parent, the Employment and Training Administration (ETA), is also involved with administration of this national policy. ETA's role is to: (1) receive, review, and accept or reject employer attestations; (2) make attestations available to the public; and (3) notify the Immigration and Naturalization Service (INS) of those attestations on file with the Labor Department.[11]

Individual states have a role to play, too. DES' Employment and Training Administration (ETA), with help from DES, Research Administration, must certify that wages offered by petitioning employers are comparable to those prevailing in the area. Research Administration has expertise in this area from conducting wage surveys, participating in the state's Joint Governmental Salary Survey,[12] and tabulating and publishing wage data from Job Service job orders.

Call for Institutional Change

Although it is one thing to insure that wages and working conditions are not degraded when aliens are permitted to be employed, it is another thing entirely to foster cultural or institutional change that will enable the country to meet its own demand for nurses.

Types of Labor Shortages

Labor Shortage (Traditional) — Occurs when employers are unable to attract workers at the prevailing wage — wages paid for an occupation in a specific area. Normally shortages disappear when wages increase or when employers' demand slackens because they're unable to pay higher wages.

Supply-Inflexible Labor Shortage — Despite increased wages, a shortage of applicants still exists. Primarily occurs in occupations where large amounts of education and training are required (e.g., nurses, computer programmers).

Wage-Inflexible Labor Shortage — Even with an adequate supply of labor, a shortage persists because a sector is slow to react to changing market conditions. This type of shortage often occurs in the public sector (e.g., universities), forcing individuals to take private-sector jobs.

False Labor Shortage — Occurs when employers believe there is a shortage, but in reality are unwilling to pay prevailing wages to attract workers. Frequently occurs in low-paying occupations (e.g., farm workers, dishwashers) in the agricultural and service sectors.

The Nursing Relief Act of 1989 addresses this issue by requiring petitioning employers to take "timely and significant steps designed to recruit and retain sufficient RNs who are U.S. citizens, or immigrants who are authorized to perform nursing services, in order to remove as quickly as reasonably possible the dependence of the facility on non-immigrant RNs." As an alternative, the facility may be subject instead to "an approved state plan for the recruitment and retention of nurses."[13]

So far, no state plan has been initiated in Arizona, although one may yet be drafted if a significant number of employers petition for non-immigrant RNs. A spokesperson for the Arizona Hospital Association (AHA), Barbara Tweedy, says she is unaware of any plans by member hospitals to recruit nurses under provisions of the Immigration Nursing Relief Act.

There is currently a 12 percent vacancy rate of registered nursing positions among member hospitals, Tweedy says. This rate is about normal for Arizona, she says, and compares closely with a national rate of 10.6 percent.

According to the *1989 Nursing Demand Survey*, published by AHA, member hospitals are using various means to deal with the shortage, including alternative staffing mechanisms, proactive recruitment methods, and improved utilization of present nursing staff.[14]

The Arizona Nurses Association takes the same position on the act as its parent organization, the American Nurses Association, says Dr. Cathleen Wilson, the Arizona group's executive director. Dr. Wilson says foreign nurses have been imported for years under provisions of other authority, not-withstanding the Immigration Nursing Relief Act.

In fact, the American Nurses Association was consulted when the nursing-immigration legislation was being drafted. The association had two main concerns: (1) that foreign nurses meet the same license requirements of local nurses, and (2) foreign nurses be paid the same level of wages as local nurses. Both concerns are addressed by the act.

Table 1. Average Vacancy Rates for Registered Nurses at Arizona Hospitals, 1989

	Bedsize			Location	
	<100	100-299	300+	Urban	Rural
Minimum*	0.0%	0.0%	1.0%	0.0%	0.0%
Average**	16.6	9.5	7.6	8.3	18.5
Maximum***	50.0	25.0	21.0	28.0	50.0

	1989	1988
Overall RN Vacancy Rate	12.7%	11.8%
American Hospital Association Mountain Region	NA	9.6%

* Represents the minimum or lowest vacancy rate
** Represents the average of individual-hospital vacancy rates
*** Represents the maximum or highest vacancy rate

Source: Arizona Hospital Association, April 1990

Immigration Act of 1990

When the President signed the Immigration Act of 1990, he said the bill's provisions increasing the number of employment-related immigrants "will promote a more competitive economy."[15]

The law, which is much broader and more general than the Immigration Nursing Relief Act, allows a nearly 200 percent increase in skill-based immigration. Annual skilled-based immigration is raised to 140,000 from 54,000 under previous immigration law.

A White House fact sheet released at the time of the signing says the increase is designed to "help relieve labor shortages in key technical areas and improve the competitiveness of the work force." Among the skilled-immigrant group increases permitted by the act, 10,000 visas are reserved for entrepreneurs who invest $1 million in new companies that employ 10 U.S. workers, or who invest $500,000 in companies in depressed rural areas.[16]

Congress' effort toward immigration reform, which resulted in the 1990 Immigration Act, had more than one goal. Two others included raising allotments to permit more European immigration — to balance Hispanic and Asian immigration — and providing for a modicum of relief to Hong Kong citizens who face dominion of communist China in 1997 and may want to emigrate. The investor provision was in part directed toward potential Hong Kong immigrants.[17]

Alaska and Labor Shortages

In the middle of 1988 and winter of 1989-1990, the state of Alaska experienced labor shortages, an unusual circumstance for that state given that it pays some of the highest wages in the country. Making the problem more acute was the Exxon Valdez oil spill in 1989 — resulting in demand for labor to assist with clean-up — and the fact that the shortages occurred on the heels of a local recession.[18]

Shortages were primarily reported in restaurant and retail trade jobs, but in some cases among professionals such as accountants, computer programmers, and lawyers.

In a publication on Alaska's economy, Alaska's Labor Department cited the following factors as contributing to the state's shortages: (1) national demographic trends of a shrinking youth cohort (ages 16-25), the age-group most likely to migrate to Alaska; (2) residual negative impressions

(Continued on page 6)

Employers Sensing 'False' Shortage, Survey Suggests

Preliminary analysis of a labor-shortage survey conducted in 1990 indicates that, in general, no true shortage of labor exists in Arizona due to the implementation of the Immigration Reform and Control Act of 1986 (IRCA). This result appears to be consistent across the state, within counties and their various industries.

As discussed in the companion article (see " 'Labor Shortage' ... ," p. 2), true labor shortages occur when position vacancies go unfilled due to an insufficient volume of applicants. The survey results suggest that the shortages reported are primarily employer- (self-) imposed. That is, employer perceptions, expectations of candidates, and choice of business or location are responsible for an overwhelming majority of reported shortages.

The Department of Economic Security, Research Administration asked employers whether IRCA had caused a labor shortage. Additionally, employers were asked whether they had experienced shortages due to any other causes.

Consistent with a survey conducted during 1988 and '89, only about 3 percent of respondents blamed IRCA for their labor shortage. A total of 453 employers (13 percent of the sample) indicated a shortage due to other causes.

When asked to characterize the cause of these shortages, more than half of this group cited "lack of experience" as the primary cause. Only 21 employers in the entire sample (six-tenths of 1 percent) cited a "lack of applicants" as the primary cause of their shortage. Few employers indicated continuing vacancies. And in nearly every case, the positions were subsequently filled.

Table 1. Portion of Preliminary Results From 1990 Arizona Employer Labor Supply Follow-Up Survey

Did your company experience a labor shortage prior to 1989 due to the Immigration Reform and Control Act (IRCA) of 1986?

No	98%
Yes	2%

Has your company experienced a labor shortage within the past year due to IRCA?

No	97%
Yes	3%

Did your company experience a labor shortage within the past year due to factors other than IRCA?

No	87%
Yes	13%

If Yes, Reasons for Shortages:

Lack of Experience	52.1%
Low Wages	11.5
Productivity Expectations	9.9
Training/Qualifications/Ability	5.1
Nature of work/Working Conditions	6.2
Lack of Applicants	4.6
Location	3.5
Benefits	3.1
All Others	4.0
Total	100.0%

Source: Arizona Department of Economic Security, Research Administration, January 1991

Expectation and Perception

The top five-cited causes of non-IRCA-releated labor shortages were: lack of experience (236); low wages (52); productivity expectations (45); training/qualification issues (28); and working conditions or nature of the job (23). Even if the training-and-qualification group was added to the lack-of-applicants group, the potential "real" labor shortage would affect only about 1 percent of the state's employers.

Analysis of these causal characterizations by county and industry is incomplete at this time. It is expected, however, that when secondary and tertiary causes are analyzed, business-site location in demographically or geographically isolated areas may explain this small, but real, labor shortage.

Occupations cited by employers as being in "short supply" predominantly fell into the category of unskilled manual labor, with three exceptions.

One high-tech electronics firm indicated it had been unable to find a suitable, specialized, managerial candidate. Also, many machine- and auto body-repair shops complained of a lack of experienced applicants. Nevertheless, these employers did not indicate a lack of trained or qualified applicants, only that their "experiential" expectations were not being fulfilled. Finally, a few employers of machinists expressed dis-

satisfaction with employee mathematical abilities necessary to operate computer-automated machines.

Confusion of Shortages, Turnover

Several employers cited their own economic ill-health as the cause of their "shortage." These employers confused a shortfall in *demand* for labor with a shortfall in the *supply* of labor. Only the latter constitutes a labor shortage.

The impression left by the surveys' causal comments is that most of the respondents who indicated they experienced a non-IRCA related labor shortage actually experienced turnover. Wages, productivity expectations, and working conditions surfaced as predominant causes of shortages.

Employers described these generalized causes with comments such as "lazy workers," "not willing to work hard," "no work ethic," "can't find good workers," "welfare pays better," "unacceptable hours or wages," "didn't like this kind of work," "can't find people who stay even at twice the normal salary." Such statements imply that candidates are not in short supply, but retention is a problem; internal shortages of *willing* workers do not equate to an external shortage of *potential* workers.

Wage increases are usually proposed as a cure for both labor shortages and turnover, but wage increases alone may be insufficient as a cure. A number of respondents commented that wages 50 percent to 100 percent in excess of the norm failed to relieve their turnover situations. This last observation relates primarily to occupations viewed as undesirable by many: landscape laborers, maids, dishwashers, and janitors.

Yet, employers of these occupations who indicated they were experiencing a problem were overwhelmingly in the minority. Clearly, other employers of these occupations were doing something different that workers found acceptable.

Employers who are unable or unwilling to provide wages, benefits, and a work atmosphere at least as attractive as the welfare system should expect and accept that they are likely to have problems both attracting and retaining workers. Some occupations and some forms of business by their very nature attract applicants with no work history or less-than-desirable qualifications or personal qualities.

Turnover has a multitude of causes that may require employers to examine their expectations and attitudes, management practices, operations, location, benefits, and wages.

Final results of the survey are expected to be published in April. The Arizona LMI Newsletter will give details about its availability.

—Chris Hedin
RA Labor Market Information Manager

(Continued from page 4)
from the previous local recession; (3) booming conditions in other parts of the country (e.g., Seattle); and (4) the seven-year national economic expansion.[19]

The Alaska publication made several points seldom acknowledged by employers when the cry goes out for the public sector to do something about labor shortages. The fact is, labor shortages are a boon to job seekers. They can result in higher wages, better benefits, rapid advancement, and greater opportunity for the difficult to employ.[20]

Indeed, U.S. Department of Labor policy over the last five years has been one of trying to call attention to the opportunity the decade of the '90s will bring. With a shrinking youth cohort and slower overall population growth, the country has an excellent opportunity to at last employ minorities, women, and handicapped in proportion to their share of the population.[21]

The public and private sector can give workers the necessary training to help employers compete in the new world economy, or U.S. companies can take an easier approach and employ the cream of other countries. Recent immigration-reform legislation suggests we have chosen the easier way.

As the Alaska publication says, today's "labor shortages" were the goal of national employment policy of two decades ago. Back then the goal was called "full employment."[22]

—Ron Simon
RA Economic Analysis Manager

Notes:

1. Jon Sargent, "Labor Shortages: Menace or Mirage," *Occupational Outlook Quarterly*, Winter 1988, U.S. Department of Labor, Bureau of Labor Statistics, pp. 27-33.
2. Ibid.
3. Ibid.
4. Ibid.
5. *Arizona Employer Labor Supply Survey, October 1988 - September 1989*, Arizona Department of Economic Security, Employment and Training and Research Administrations, April 1990; and unpublished review of *Arizona Employer Labor Supply Survey, May 1990 - October 1990*, Arizona Department of Economic Security, Employment and Training and Research Administrations.
6. "Request for Additional Fiscal Year 1990 Labor Certification Funds," California Employment Development Department (unpublished grant request).
7. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, July 6, 1990, p. 27,992.
8. "Reform Survives Final Challenges: Bush is Expected to Sign into Law," *Immigration Policy and Law*, Buraff Publications, Vol. 4, No. 18, Nov. 1, 1990, p. 1.
9. "Bush Signs Immigration Act to Aid Competitive Economy," Immigration Policy & Law,

(Continued on page 12)

The Arizona Labor Force in December

Arizona's unemployment rate drew nearer to the national rate in December, rising to 5.9 percent, seasonally adjusted, from 5.6 percent in November. The U.S. rate in December was 6.1 percent, up from 5.9 percent the previous month.

Maricopa County's unemployment rate, meanwhile, increased three-tenths of a point to 4.7 percent, while Pima County's rate dropped one-tenth of a point to 4.3 percent. Muting Pima County's good news, however, was a revision upward of its November rate from 4.0 percent to 4.4 percent. In rural Arizona, nine of the state's 13 non-metropolitan counties had higher unemployment rates in December.

Counter to the normal December pattern, unemployment climbed 1,300 to a total of 93,200. That level is above the 1990 average (89,700), but below the July 1990 peak (104,100).

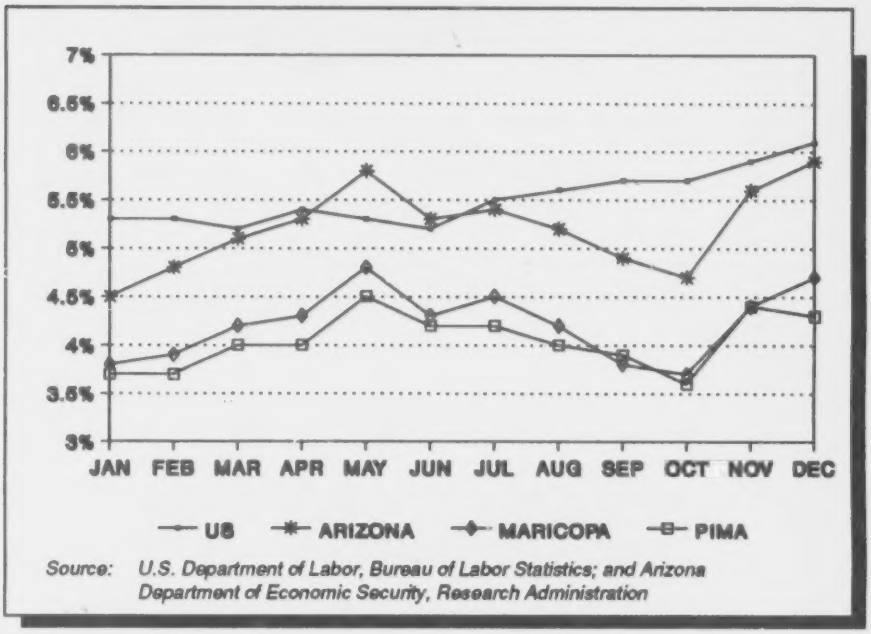
Wholesale trade edged out transportation for the greatest growth in December. Wholesale trade's growth of 2.0 percent (1,600 jobs) was one-half of a point greater than its seasonal average during the post-recession period, while transportation's 1.5 percent increase (700 jobs) was one-half of a point below its seasonal average.

Both wholesale trade and transportation reached record levels in December. And transportation was Arizona's stellar performer in 1990, outpacing overall job growth in every month but January and September.

Trade Hits Record Level

Trade achieved a record employment level in December (396,800) with component records in department and variety stores (54,600), and restaurants and bars (108,500). Nevertheless, retail trade employment gains in November and December confirmed a weak commercial performance for the 1990 Christmas buying period.

Figure 1. U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, January 1990-December 1990



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration

Food stores were the weakest component of retail trade, posting no gains when December gains of a 1,000 are normal. Food stores were 1,700 below their December 1989 peak.

Services gained 800 jobs in December, only one-third of its December average since 1982. Weak growth was evident in all components — lodging, business services, and health services. Nevertheless, total services employment of 418,400 is at a record level as are subare[illegible] of lodging (47,600) and health services (03,800).

Finance, insurance, and real estate gained a weak 100, but is not doing too badly considering the problems of Arizona's savings and loan industry. FIRE employment, at 95,900, is only 300 below its December 1987 peak.

That's about all of the good news from the December employment estimates. The bad news — as has been the case the past few years — centers around construction, which lost 1,300 jobs last month after posting a 2,100 loss in November.

As expected, up to now falling interest rates have had little effect on Arizona's construction industry. Perhaps activity will pick up in the spring, but uncertainty due to war in the Persian Gulf may keep buyers wary.

Government's 1,100 loss was a normal seasonal event as student work/study programs began to wind down as the fall semester ended. Communications and public utilities (CPU) lost 100 jobs for the third month in a row as staffing by utilities has been pared back to cut expenses. CPU reached peak employment of 36,100 in April; by December, it was down to 34,900.

In review, Arizona employment estimates in December present a mixed picture of the state's economy. There were more jobs in Arizona than ever before, and new records were set in transportation, trade, and services.

But job growth is unquestionably slowing. Even seasonal growth for the holiday and winter tourism season was weak. Meanwhile, Arizona's unemployment rate rose sharply for the second month in a row and has nearly reached national levels.

—Ron Simon,
RA Economic Analysis Manager

Arizona Labor Force and Employment
December 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount	Change				Amount	Change				Amount	Change
	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1736.0	1727.6	1697.6	+8.4	+38.4	1073.2	1068.8	1053.5	+4.4	+19.7	312.4	312.7	310.9	-0.3	+1.5
Total Unemployment	93.2	91.9	68.1	+1.3	+25.1	47.4	46.0	35.5	+1.4	+11.9	12.8	13.4	10.3	-0.6	+2.5
Unemployment Rate	5.4%	5.3%	4.0%	—	—	4.4%	4.3%	3.4%	—	—	4.1%	4.3%	3.3%	—	—
Unemployment Rate (Sea. Adj.)***	5.9%	5.6%	4.4%	—	—	4.7%	4.4%	3.6%	—	—	4.3%	4.4%	3.5%	—	—
Total Employment	1642.8	1635.7	1629.5	+7.1	+13.3	1025.8	1022.8	1018.0	+3.0	+7.8	299.6	299.3	300.6	+0.3	-1.0

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1549.5	1541.0	1507.1	+8.5	+42.4	1024.6	1018.9	995.8	+5.7	+28.8	261.2	260.2	256.8	+1.0	+4.4
Manufacturing	188.0	188.0	188.5	0.0	-0.5	138.5	138.6	139.8	-0.1	-1.3	27.2	27.1	27.2	+0.1	0.0
Durable Goods	141.3	141.4	142.7	-0.1	-1.4	105.7	105.8	107.0	-0.1	-1.3	21.5	21.5	21.8	0.0	-0.3
Stone, Clay, and Glass	7.0	7.2	7.7	-0.2	-0.7	4.2	4.2	4.7	0.0	-0.5					
Primary and Fabricated Metals	15.9	15.8	15.9	+0.1	0.0	10.7	10.7	10.8	0.0	-0.1					
Primary Metals	7.9	7.8	7.8	+0.1	+0.1										
Fabricated Metals	8.0	8.0	8.1	0.0	-0.1										
Machinery	57.7	57.8	59.7	-0.1	-2.0	47.0	47.2	48.9	-0.2	-1.9					
Aircraft and Missiles	27.3	27.3	26.0	0.0	+1.3										
Lumber and Wood Products (Excluding Furniture)	7.8	7.8	7.7	0.0	+0.1										
Nondurable Goods	46.7	46.6	45.8	+0.1	+0.9	32.8	32.8	32.8	0.0	0.0	5.7	5.6	5.4	+0.1	+0.3
Food and Kindred Products	10.6	10.6	9.8	0.0	+0.8	7.0	7.0	6.5	0.0	+0.5					
Printing and Publishing	17.1	17.0	16.8	+0.1	+0.3	12.2	12.2	12.2	0.0	0.0					
Mining and Quarrying	12.7	12.7	12.5	0.0	+0.2	0.8	0.8	1.0	0.0	-0.2	2.3	2.3	2.1	0.0	+0.2
Copper Mining	9.8	9.8	9.5	0.0	+0.3										
Construction	81.4	82.7	83.7	-1.3	-2.3	54.2	55.0	55.8	-0.8	-1.6	14.1	14.5	14.6	-0.4	-0.5
Trans., Communications, & Public Utilities	82.7	82.1	79.6	+0.6	+3.1	59.0	58.5	55.8	+0.5	+3.2	9.7	9.7	9.7	0.0	0.0
Transportation	47.8	47.1	44.1	+0.7	+3.7	36.4	35.8	33.0	+0.6	+3.4	5.0	5.0	5.0	0.0	0.0
Communications and Public Utilities	34.9	35.0	35.5	-0.1	-0.6	22.6	22.7	22.8	-0.1	-0.2	4.7	4.7	4.7	0.0	0.0
Trade	396.8	389.9	385.8	+6.9	+11.0	270.1	264.8	260.7	+5.3	+9.4	61.5	61.2	61.3	+0.3	+0.2
Wholesale Trade	81.2	79.6	78.4	+1.6	+2.8	64.6	64.0	62.4	+0.6	+2.2	7.8	7.8	7.8	0.0	0.0
Retail Trade	315.6	310.3	307.4	+5.3	+8.2	205.5	200.8	198.3	+4.7	+7.2	53.7	53.4	53.5	+0.3	+0.2
General Merchandise and Apparel	54.6	51.4	51.4	+3.2	+3.2	34.9	32.5	32.4	+2.4	+2.5	8.0	7.7	7.7	+0.3	+0.3
Food Stores	49.9	49.9	51.6	0.0	-1.7	32.4	32.3	33.4	+0.1	-1.0	8.0	8.0	8.3	0.0	-0.3
Automotive and Service Stations	36.1	36.1	35.3	0.0	+0.8	23.0	23.0	22.6	0.0	+0.4	5.6	5.6	5.8	0.0	-0.2
Eating and Drinking Places	108.5	107.9	105.1	+0.6	+3.4	70.2	69.3	66.9	+0.9	+3.3	20.0	20.1	19.9	-0.1	+0.1
Finance, Insurance, and Real Estate	95.9	95.5	93.7	+0.4	+2.2	77.0	76.8	75.5	+0.2	+1.5	11.6	11.6	11.4	0.0	+0.2
Services and Miscellaneous	418.4	415.4	402.1	+3.0	+16.3	283.6	281.8	272.8	+1.8	+10.8	76.6	75.7	73.6	+0.9	+3.0
Hotels and Lodging Places	47.6	47.0	44.5	+0.6	+3.1	30.7	29.9	28.4	+0.8	+2.3	7.0	6.9	6.5	+0.1	+0.5
Business Services	77.1	76.2	75.7	+0.9	+1.4	61.7	61.2	61.1	+0.5	+0.6	10.4	10.2	10.1	+0.2	+0.3
Health Services	103.8	103.2	98.9	+0.6	+4.9	66.9	66.7	64.1	+0.2	+2.8	22.8	22.5	21.2	+0.3	+1.6
Government	273.6	274.7	261.2	-1.1	+12.4	141.4	142.6	134.4	-1.2	+7.0	58.2	58.1	56.9	+0.1	+1.3
Federal	47.1	47.1	45.9	0.0	+1.2										

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
December 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,575	36,300	44,750	13,025	8,375	3,025	5,825
Total Unemployment	2,200	2,650	3,300	1,175	550	225	425
Rate	15.1%	7.3%	7.4%	9.0%	6.6%	7.4%	7.3%
Rate (Seas. Adj.)**	16.8%	7.4%	7.1%	8.8%	7.0%	7.6%	7.4%
Total Employment	12,375	33,650	41,450	11,850	7,825	2,800	5,400

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,200	27,100	42,700	11,725	5,575	3,075	4,125
Manufacturing	625	1,225	3,100	1,575	225	25	250
Mining & Quarrying	50	175	300	1,325	0	1,800	75
Construction	425	700	1,825	300	150	125	225
T.C.P.U.	1,925	1,875	2,575	475	175	50	150
Trade	1,875	5,800	10,000	2,650	1,425	225	1,300
F.I.R.E.	425	675	725	325	125	25	100
Services & Misc.	4,650	5,200	11,050	2,250	900	150	1,100
Government	5,225	11,450	13,125	2,825	2,575	675	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,150	29,150	38,500	12,675	41,075	64,875
Total Unemployment	2,800	3,375	2,875	1,800	2,200	9,400
Rate	7.3%	11.6%	7.5%	14.2%	5.4%	14.5%
Rate (Seas. Adj.)**	7.4%	12.5%	8.0%	13.1%	5.4%	24.2%
Total Employment	35,350	25,775	35,625	10,875	38,875	55,475

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	27,750	22,975	30,925	12,075	29,425	30,550
Manufacturing	2,625	2,025	4,050	975	2,250	2,875
Mining & Quarrying	50	1,200	3,600	0	950	75
Construction	3,275	1,300	500	375	2,650	1,275
T.C.P.U.	1,275	1,550	1,075	825	1,075	950
Trade	8,550	4,350	6,050	5,600	7,950	9,425
F.I.R.E.	1,275	425	850	300	975	975
Services & Misc.	6,200	5,475	4,825	2,100	7,450	6,925
Government	4,500	6,650	9,975	1,900	6,125	8,050

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	427.76	424.04	421.93	40.7	40.5	41.9	10.51	10.47	10.07
Aircraft & Missiles	691.01	682.48	654.58	47.2	47.1	46.0	14.64	14.49	14.23
Food & Kindred Prod.	356.33	343.66	341.75	39.2	38.1	39.6	9.09	9.02	8.63
Primary Metals	494.54	524.49	482.30	37.1	38.2	37.1	13.33	13.73	13.00
Machinery	390.26	385.39	384.52	39.5	38.5	39.6	9.88	10.01	9.71
Copper Mining	625.65	624.70	577.58	43.0	43.9	43.2	14.55	14.23	13.37
Construction	438.65	442.01	431.22	37.3	37.3	37.4	11.76	11.85	11.53
Utilities	752.58	721.01	703.12	44.4	43.2	44.0	16.95	16.69	15.98
Retail Trade**	256.79	253.12	251.75	32.3	32.0	33.3	7.95	7.91	7.56
Wholesale Trade	403.37	400.28	374.79	39.2	38.6	39.0	10.29	10.37	9.61

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	458.81	466.05	444.74	41.9	42.1	42.6	10.95	11.07	10.44
Construction	464.96	470.40	452.70	38.3	38.4	37.6	12.14	12.25	12.04
Retail Trade**	271.58	265.85	260.95	32.8	32.7	33.2	8.28	8.13	7.86
Wholesale Trade	434.66	424.60	392.82	39.3	38.6	39.4	11.06	11.00	9.97

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	409.07	377.64	371.13	39.6	38.3	38.3	10.33	9.86	9.69
Construction	384.89	384.82	378.30	34.8	35.5	36.8	11.06	10.84	10.28
Utilities	620.33	640.01	577.28	41.3	41.0	38.9	15.02	15.61	14.84

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs December 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,723,687	1,634,008	89,679	5.2%
Apache	14,318	12,140	2,178	15.2
Cochise	36,620	34,302	2,318	6.3
Coconino	45,727	42,700	3,027	6.6
Gila	12,992	11,846	1,146	8.8
Graham	8,164	7,592	572	7.0
Greenlee	2,916	2,693	223	7.6
La Paz	6,105	5,694	411	6.7
Maricopa	1,071,113	1,026,021	45,092	4.2
Mohave	37,539	35,349	2,190	5.8
Navajo	28,426	25,431	2,995	10.5
Pima	310,271	297,738	12,533	4.0
Pinal	38,809	36,001	2,808	7.2
Santa Cruz	12,220	10,523	1,697	13.9
Yavapai	40,508	38,621	1,887	4.7
Yuma	57,955	47,354	10,601	18.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 6)
Vol. 4, No. 21, p. 3.

10. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, p. 27,993.

11. Ibid.

12. A yearly survey by the Arizona Department of Administration of private-sector companies in Maricopa and Pima counties that employ 250 or more workers.

13. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, p. 27,993.

14. *1989 Arizona Nursing Demand Survey*, Arizona Hospital Association, April 1990, pp. 19-40.

15. "Bush Signs Immigration Act to Aid 'Competitive' Economy," Immigration Policy and Law, Buraff Publications, Vol. 4, No. 21, Dec. 13, 1990, p. 3.

16. "Reform Survives Final Challenges: Bush is Expected to Sign into Law," *Immigration Policy and Law*, Buraff Publications, Vol. 4, No. 18, Nov. 1, 1990, pp. 2-3.

17. Ibid.

18. "Alaska's Labor Market: From Surplus to Shortage," Niel Fried and Holly Stinson, *Alaska Economic Trends*, December 1989, pp 1-6.

19. Ibid, pp. 1-2

20. Ibid, p. 6

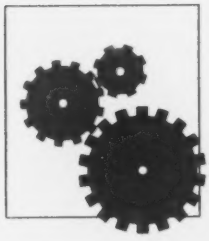
21. *Workforce 2000: Work and Workers for the 21st Century, Executive Summary, 1987*, U.S. Department of Labor, Bureau of Labor Statistics.

22. "Alaska's Labor Market: From Surplus to Shortage," Niel Fried and Holly Stinson, *Alaska Economic Trends*, December 1989, p 6.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — The success of Seattle-based Boeing Corp. is raining dollars on at least two Phoenix companies. In late December, Boeing selected **Garrett Auxiliary Power Division**, a subsidiary of Allied-Signal Aerospace Co., to provide **auxiliary power units** for its new 777 jetliner. The contract is expected to be worth up to $1 billion for Garrett Auxiliary Power, which employs 2,600 in the Valley. In November, **Honeywell's Commercial Flight Systems Group** was selected to develop the **flight controls** for the jumbo jet, which will carry between 360 and 390 passengers. Meanwhile, construction recently began on a new 130,000-square-foot facility at Honeywell's 55th Avenue and Bell Road plant, which will be used to consolidate the aerospace company's Business and Computer Aviation Systems Division.



In late December, **Garrett Airline Services Division** opened a **repair and maintenance facility and a machine shop** at 47th Street and Hammond Lane near Phoenix Sky Harbor International Airport. The $5 million, 55,000-square-foot repair and maintenance facility, which replaces a plant at 2202 E. University Drive, repairs and overhauls Garrett auxiliary power units that are used to heat and cool commercial aircraft. The new plant currently employs 200 workers, but is expected to have double that number in five years. At the same time, Garrett opened a 31,000-square-foot machine shop that employs 40 workers, but that should increase to 160 within a year and to near 350 workers in five years.

Sawmill workers in northern Arizona received a boost in early January when **Duke City Lumber Co.** in Winslow, shut down since August, announced it was **recalling 144 laid-off workers**. However, the outlook for workers at two other companies is not promising. Stone Forest Inc., which owns sawmills in Eager and Reserve, N.M., says it doesn't know when it will bring back 400 workers who have been laid off since August. And **Kaibab Forest Products Co.** in Fredonia (near the Utah border) will **lay off 70 workers April 1** and **15 to 20 more in June** due to court litigation and poor market conditions.

Phoenix-based **Microtest Inc.** is bringing a little bit of Silicon Valley ingenuity to Arizona — and with it **rapid growth in sales and employment**. Started in 1984, Microtest specializes in manufacturing hand-held devices that identify trouble spots in local area networks (LANs) and a product that allows users to hook up peripheral devices (printers, scanners) directly to a LAN. Microtest's sales jumped from $4 million in 1989 to $10 million in 1990, while employment rose from 20 to 80 workers. And sales are expected to grow to $23 million this year, with employment increasing to 150.

A manufacturer of colorants for the thermal plastic industry, **Mesa Industries**, has opened a **12,000-square-foot facility** in Phoenix, 240 N. 48th Ave. No details on anticipated employment are available.

Scottsdale-based **Kroy Inc.**, which **manufactures and distributes printing and labeling products**, has fought its way out of Chapter 11 bankruptcy protection by receiving an $11 million capital infusion from two Chicago financial companies. Kroy, which employs 270 workers, filed for bankruptcy protection last May due to a heavy debt load and had a reorganization plan approved last August.

Bonneau Company of Dallas, an eyewear distributor, has **purchased Foster Grant Corp.'s Arizona and Mexico manufacturing and packaging operations**. Tucson and Nogales, Mexico, facilities employ about 300 people. No details on the move's effect on employment were disclosed.

Weiser Lock, which employs 400 full-time and 60 to 80 part-time workers at its Tucson manufacturing plant, is **moving its Seal Beach, Calif., operations** to the Old Pueblo, with 45 to 50 administrative, engineering, and office workers relocating to Arizona.

CONSTRUCTION — The building of the city's largest retail shopping center and a nearby regional bank center should keep **construction workers busy in Nogales**. Work on the first phase of **Mariposa West Plaza** — which will include a K Mart and Megafoods, and possibly a Pep Boys, along with a variety of clothing stores and restaurants — was expected to begin in late January and be completed by October. Meanwhile, **Valley National Bank** recently closed escrow on a **regional banking center** it plans to build between the retail center and a recently opened McDonald's.

Due to declining tax revenues, the **city of Phoenix** is **postponing construction of several projects** approved by a 1988 bond election. Projects that will be delayed include: the renovation of the historic Orpheum Theater, originally set for fiscal year (FY) 1990-91; the building of the Phoenix History Museum and an adjoining parking garage, originally set for FY 1991-92; and construction of several amenities planned for the Deck Park, which sits on top of the Papago Freeway (Interstate 10). In related news, the city of Phoenix is **ahead of schedule on its plans to build a new city hall**, which will consolidate offices from 13 buildings. Final drawings for the expected 22- to 24-story building, to be built near

2nd Avenue and Washington Street, should be finished in February with the building going to bid later this year and construction beginning in early 1992.

Del Webb Corp. of Phoenix has diversified its home-building operation through the **acquisition of Coventry Financial Inc.**, parent company of two Valley home builders, Coventry Homes and Universal Homes. Known for its Sun City-retirement communities in Phoenix, Tucson, and Las Vegas, Webb will likely become the third-largest home builder in the Valley. Webb had sales of $200 million in 1990.

TRADE — When a planned **mega-shopping complex** on 160 acres in **west Phoenix** opens, Valley developer John F. Long might look to the adjacent Blockbuster Desert Pavilion amphitheater for name ideas. The first phase of Long's project, at 75th Avenue and Encanto Boulevard, will have a **500,000-square-foot "power" center** that will be anchored by five or six major retail stores, including a Wal-Mart (see below), which will be built immediately. More details about the plus-$100 million development will be forthcoming later in the year.

If the pace of **Wal-Mart's growth in Arizona** continues, the Arkansas-based chain may be able to single-handily solve the state's construction slide. Wal-Mart **opened two stores in late December** — in Yuma (Palo Verde Village Shopping Center) and in Peoria (83rd Avenue Cactus Road) — and was expected to open another in January in Page. In addition, Wal-Mart has **several stores under construction** — in Prescott Valley (State Route 69), north Phoenix (4617. E. Bell Road), and two in Mesa (Apache Trail and Signal Butte Road; Superstition Springs Road and Southern Avenue). Wal-Mart now has about 20 stores in the state, all opened in the last three years.

Grocery store chain **Albertson's** has also been busy of late, **opening three stores in the Valley** in January. Albertson's opened two locations in Phoenix — 1940 W. Indian School Road and 4820 E. Ray Road — and one in Peoria (8150. W. Peoria Avenue). The Idaho-based chain now has nine stores in the Phoenix area.

An announcement in early January that retail giant **Sears** would **lay off 21,000 workers nationwide** is **not expected to affect the Tucson-area** too badly, with cuts of about 10 to 20 employees at each store. However, a Sears Homelife furniture outlet, expected to open in mid-March, will probably employ many of the laid-off workers.

Best Products Co., which operates **seven catalog showrooms** (five in Phoenix; two in Tucson) in Arizona, has **filed for protection under Chapter 11** in U.S. Bankruptcy Court and will lay off 350 workers at its showrooms around the country and at administrative offices in Richmond, Va. There are no details on how the layoffs will affect employment at Arizona stores.

The **Scottsdale Seville shopping center recently opened** for business with about 50 percent of its 180,000 square feet of office and retail space leased. Developed by The Symington Co. and Shimizu Land Corp., the $35 million project includes one two-story and four single-level buildings for retail space and a two-story building for office space.

JB's Restaurants plans to **open a total of 19 Italian fast-food restaurants** in the Phoenix and Portland, Ore., areas within the next three years. Salt Lake City-based JB's recently purchased the franchise rights to the Phoenix area from Sbarro Inc.

Phoenix Foods Inc. plans to **add nine Denny's Restaurants** in the state by 1995 as part of a major expansion plan for Arizona, Colorado, and Texas. Phoenix Foods currently operates 11 Denny's in the state.

The planned **Arrowhead Mall** in northwest Phoenix, 75th Avenue and Bell Road, has **lost two of its six anchor stores** — Sears, and Robinson's — due to worries about a slowdown in the retail trade sector. Additionally, war in the Persian Gulf could have a delaying affect on an estimated fall 1992 opening. Dillard's, Mervyn's, Montgomery Ward, and J.C. Penney are still committed to the $400 million project being developed by Westcor of Phoenix.

SERVICES — **Prudential Life Insurance Co. of America** is eyeing Arizona for its **managed health-care programs**, either by offering its products through existing Prudential offices in the state or by taking over an Arizona company. The Prudential Health Care System, which has 42 locations nationwide covering more than 1.6 million people, includes health maintenance and preferred-provider organizations, as well as a managed mental-health program.

American Child Care Centers Inc. of Tempe has **taken over 56 company-owned and franchise locations** of Tempe-based Mary Moppets. Forty-six (20 in the Valley) of the locations are in Arizona. American, which was formed by four former child-care professionals, plans to acquire 150 more child-care centers (mainly in the Sunbelt) during the next three years.

A Houston-based, **temporary-help company** that specializes in filling high-tech and manufacturing positions has opened a Valley office with two employees, but expects to employ 50 people within the next five years. Located at 8433 N. Black Canyon Road., **Milam Design Services Inc.** provides employees with backgrounds in engineering, research and development, and testing and installation to companies in the aerospace, manufacturing, high-tech, and defense industries.

Work is under way to renovate the former East Valley Behavioral Health Facility, 1875 W. Frey Road in Chandler, into a **44-bed**

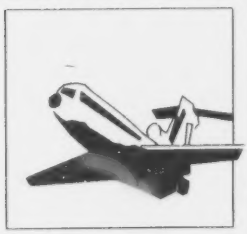
medical and rehabilitation facility. The **Chandler Regional Health Service Corp.**, which will operate the medical facility, will provide therapy for patients with head and spinal cord injuries, neurological disorders, and orthopedic damage.

National Medical Enterprises Inc. of Santa Monica, Calif., plans to **purchase Charter Hospital of Tucson** and turn it into a 60-bed psychiatric hospital. Psychiatric Institutes of America, a subsidiary of National Medical, will operate the facility.

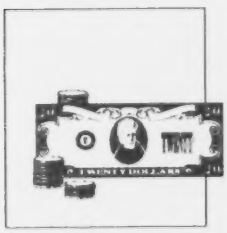
Introspect Healthcare Corp. has opened a 30-bed, 41,500-square-foot, **mental health facility** in Tucson. The $4 million Desert Hills Center will specialize in treating youth ages 3 to 18.

Sierra Tucson Co. Inc., which operates facilities in Tucson and Germany that treat addictions, has **expanded its Arizona operations** near Oracle. Sierra Tucson recently completed a $3 million expansion of its Tucson-area campus, which includes a 23-bed medical-services building, a 450-seat auditorium, and enlarged kitchen and dining facilities.

TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — In a cost-cutting move, **American Telephone & Telegraph Co. (AT&T) will close a billing office in Mesa**, 1355 W. University Dr., on May 1, eliminating 200 positions. AT&T will attempt to offer alternatives to unemployment — reassignment to another area, relocation, or retirement — to 20 executives and 179 non-management employees. The cuts do not affect employees at the company's other two buildings at the Mesa location.



FINANCE, INSURANCE AND REAL ESTATE — Minneapolis-based **ITT Consumer Financial Corp.**, which provides consumer and real estate loans, is looking at sites in Phoenix and Denver for a **customer-service center** for its western U.S. clients. Although a final decision on the center, which will employ about 200 workers, was expected in late December, as of late January no decision had been made.



The **consolidation of First Interstate Bancorp.'s data-processing operations** — from four to two locations — is expected to add an unspecified number of jobs to a First Interstate Bank operation in Tempe that currently employs 280. Facilities in Tempe and Portland, Ore., will now handle banking and check-processing chores for Los Angeles-based First Interstate, which operates in 14 western states. Currently, all four locations employ about 1,300 people.

BankAmerica Corp., Los Angeles, may follow the lead of several large banks and retail chains and bring a **major credit-card operation** to the state. The parent company of Bank of America Arizona, which took over MeraBank and Western Savings and Loan in 1990, is considering moving its California credit-card operations to the MeraBank Center, 22nd and Van Buren streets, a four-building complex near Phoenix Sky Harbor International Airport. BankAmerica has two credit-card processing operations in California that employ 2,220 people.

MISCELLANEOUS — **Fifty-eight companies** that decided in 1990 to move to the state or expand their present businesses will **create more than 8,200 jobs in Arizona** within the next few years, says a report from the state's Commerce Department. Among the announcements, along with job totals and location, were: Arrowhead Mall (1,500), Glendale; TRW Safety Systems (1,000), Mesa; Motorola (700), Chandler; Smith's Food and Drug Centers (650), Tolleson; American Airlines (500), Tucson; CamelView Plaza (400), Scottsdale; Arizona Mail Order (300), Tucson; Ray Mine (300), Kearney; Birmingham Steel Corp. (250), western Maricopa County; Kraft Inc. (250), Phoenix; and Sola Ophthalmics (250), Phoenix. (Announcements of these projects were detailed in previous issues of the *Arizona LMI Newsletter*.)

The **Arizona tourism industry** now has a more accurate measure of the **fallout from voters' rejection of a paid Martin Luther King holiday**. Hotels in the Phoenix and Tucson metropolitan areas report they have had convention cancellations worth an estimated $11 million in business since the November election, according to convention & visitors bureaus in the two areas. Of course, this does not include the anticipated loss of the 1993 Super Bowl, which was expected to bring in about $200 million into the state.

Not unexpectedly, **filings for bankruptcy** in Arizona in 1990 **increased 13 percent** over 1989. The 18,372 filings in the state last year were four times the number recorded in 1980.

The most **current census data**, released in late January, show that **Arizona's population rose nearly 35 percent** over the past decade to 3,665,228, up from 2,716,546. Among counties, Mohave County had the largest percentage increase in population, 67.4%, which rose from 55,865 to 93,497. But Maricopa County had the largest net increase, up nearly 613,000 (40.6%). Additional population data on Arizona counties and places will be published in the March *Arizona LMI Newsletter*.

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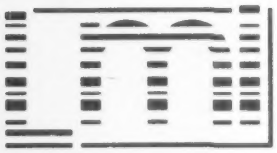

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